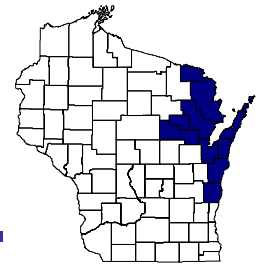


WORKFORCE OBSERVATIONS

for the Bay Area WDA counties
Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto,
Shawano, and Sheboygan Counties



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In this issue:

- ⇒ A quick look at the Bay Area's workforce ages 50-64. What occupations are they most likely to be employed? What are the implications given their size and share of the Bay Area workforce?
- ⇒ First quarter, 2006 labor market snapshots of the Bay Area Workforce Development Area and its counties.

Direct questions/comments to:

Eric Grosso
State Labor Market Economist
201 E. Washington Ave
Room A400
Madison, Wisconsin 53702
608.266.7034
eric.grosso@dwd.state.wi.us
<http://dwd.wisconsin.gov/oea>

Bay Area's Retiring Workforce: A few items to ponder

For as much as retirement and an aging population are currently the topics du jour in terms of the economy and theorized labor shortages, there is moderate ambiguity in defining retirement. For example, some economic research defines retirement as a person's complete withdrawal from the labor force, while others' frameworks allow for those who have 'retired' from their mainstay careers to keep the retiree label even if they enter back into the labor force in some (usually limited) capacity.

Retirement discussions, no matter what definition one subscribes, are becoming more frequent as people become more savvy in regards to age demographics and the projections of a graying population; the implications being that there will be relatively fewer workers taking the place of retirees and that the retiree exodus will take away a disproportionately large share of workforce experience that can't be immediately replaced. Despite demographics, though, and in my experience, most people believe that fewer people will have the financial means to completely withdraw from the labor force. I do not necessarily share in this position.

Age demographics indicating a quickly growing elderly population are solid and are practically irrefutable, but the assuredness of an increasingly elderly workforce is subject to vigorous debate. Some research attests that the coming years will show an increased rate of older workforce due to financial necessity or

simply, the interest in working. Other research believes this notion to be exaggerated given that the average age of complete withdrawal from the labor force has been in decline for decades and that nothing is likely to impede this decline. The latter opinion likely accounts for the fact that the labor force participation rate (LFPR) of those ages 65 and older has declined from 27 percent in 1948 to about 15 percent in 2005 (nationally, U.S. BLS), and has not been higher than 19 percent since 1961. I tend to agree with the position that retirement age will not become older.

The Bay Area will progressively have a higher share of its population in retiree and 'pre-retiree' age groups in the coming decades, regardless if they work or not. The graph on this page shows the current and projected share of those ages 50-64 (pre-retirees?) as a percentage of those ages 16-64. As of 2005, one out of every four people

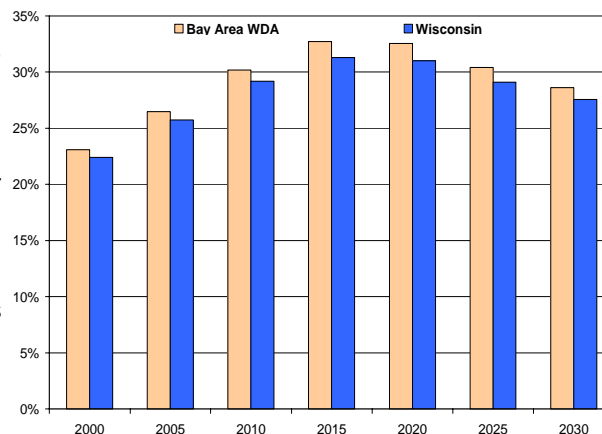
in this group in the Bay Area are 50 or older. By 2015, the ratio is projected to change to almost one of every three. For the record, the likelihood that a person ages 50-64 is participating in the labor force is well above average in a state that ranks highly in this category. But the fact remains that those retiring or preparing for retirement will become a larger portion of the working-age population and that after age 64 participation in the labor force falls dramatically.

How will the labor market be affected?

One can only guess as to how labor markets will change. Perhaps the market will become

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Projected percent share of those ages 50-64 of the Bay Area WDA's total "working age" population (all of those ages 16-64)

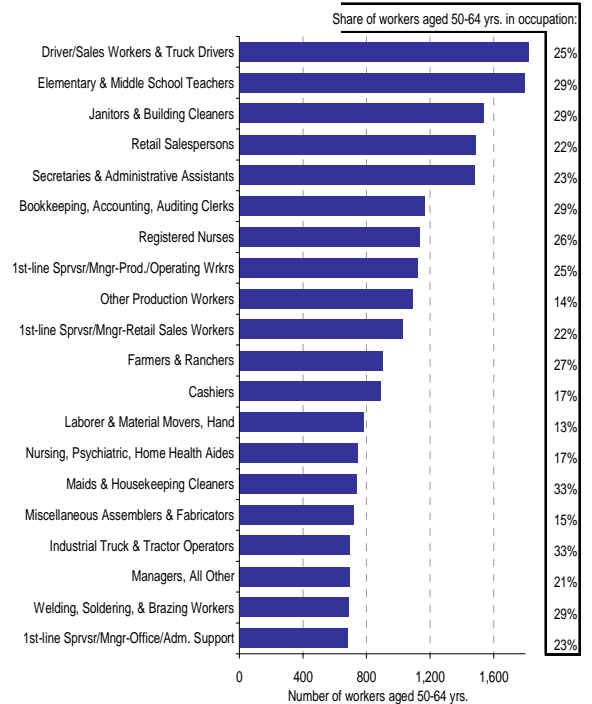


Demographics

Local/State/National Quarterly Unemployment Rates

	First Quarter 2006 Average Labor Force			
	Total Labor Force	# of Employed	# of Unemployed	Unemploy. Rate
Brown County	137,900	130,900	7,000	5.1%
Door County	16,100	14,870	1,230	7.6%
Florence County	2,630	2,440	190	7.2%
Kewaunee County	12,030	11,390	640	5.3%
Manitowoc County	46,060	43,410	2,660	5.8%
Marinette County	22,810	21,140	1,670	7.3%
Menominee County	1,630	1,460	170	10.6%
Oconto County	21,000	19,400	1,600	7.5%
Shawano County	22,430	21,060	1,370	6.1%
Sheboygan County	65,100	62,200	2,800	4.4%
Bay Area WDA	347,700	328,300	19,400	5.6%
City of Green Bay	58,590	54,100	4,490	7.7%
City of Manitowoc	18,260	17,020	1,240	6.8%
City of Sheboygan	27,240	25,770	1,470	5.4%
Wisconsin	3,042,800	2,877,800	165,000	5.4%
United States	149,601,000	142,082,300	7,518,300	5.0%
Change Compared to Previous Quarter				
Brown County	-840	-2,160	1,320	1.0%
Door County	-620	-1,020	400	2.7%
Florence County	-20	-50	20	1.0%
Kewaunee County	-40	-190	150	1.3%
Manitowoc County	10	-700	700	1.5%
Marinette County	0	-340	340	1.5%
Menominee County	20	-20	30	2.0%
Oconto County	150	-320	470	2.2%
Shawano County	120	-240	360	1.6%
Sheboygan County	390	-120	500	0.8%
Bay Area WDA	-830	-5,140	4,310	1.3%
City of Green Bay	-70	-890	820	1.4%
City of Manitowoc	50	-270	320	1.8%
City of Sheboygan	160	-50	210	0.8%
Wisconsin	100	-37,800	37,900	1.2%
United States	-538,000	-993,000	454,700	0.3%
Change Compared to Same Quarter, Previous Year				
Brown County	2,770	2,710	60	-0.1%
Door County	400	490	-90	-0.8%
Florence County	0	-10	10	0.2%
Kewaunee County	210	240	-30	-0.3%
Manitowoc County	1,020	1,180	-150	-0.5%
Marinette County	360	290	70	0.2%
Menominee County	40	0	40	2.2%
Oconto County	480	400	80	0.2%
Shawano County	20	10	10	0.1%
Sheboygan County	1,100	1,110	0	-0.1%
Bay Area WDA	6,410	6,420	-10	-0.1%
City of Green Bay	1,040	1,120	-80	-0.3%
City of Manitowoc	430	460	-30	-0.3%
City of Sheboygan	420	460	-40	-0.2%
Wisconsin	29,000	34,900	-5,900	-0.2%
United States	2,094,700	2,902,000	-808,000	-0.6%

Largest occupations of workers aged 50-64 years old in the Bay Area



Source: US Census 2000, Public Use Microdata file

(Continued from page 1)

more efficient utilizing technology or “making do with less”. There will be labor shortages; they exist now. Realistically, we cannot precisely predict exact worker-levels needed in the future labor market, but we can examine the age composition of some current occupations and make educated guesses as to which ones could be more affected by retirement than others.

In 2000, 21 percent of all Bay Area employed between the ages of 16 and 64 were in the 50-64 age segment. The bar graph at the top of this page examines the most reported occupations of Bay Area workers ages 50-64 (year 2000). The right margin of the graph indicates the percentage of the total reported occupation held by those ages 50-64. In brief, the most frequently reported occupation numerically in this age demographic is truck driver, which makes sense given the transportation industry presence in this part of Wisconsin. Industrial truck and tractor operators, while smaller in number on the list, are among the highest in percent composition of the 50-64 demographic. Some occupations, such as home health aides, are proportionately lower than average in this older segment despite larger numbers of those 50-64 in this occupation.

By no means does this list directly translate as the region’s “most likely to be retired soon”. Some of these occupations may actually lend themselves to careers that can extend farther than the typical retirement age. Or perhaps these occupational data reflect an already retired segment working in these jobs. It is helpful analysis, nonetheless.

Though these data do not directly imply industry employment, one could make an accurate assumption that the industries with the more elder skew to their workforces are transportation and warehousing, manufacturing, agriculture, and health services.

Local/State/National Quarterly Industry Employment

	Avg Quarterly Number of Jobs by Industry Sector										
	United States	Wisconsin	Green Bay MSA	Sheboygan MSA	Door County	Florence County	Manitowoc County	Marinette County	Menominee County	Shawano County	Bay Area WDA
	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006	Q1-2006
All Industries	133,222,900	2,806,300	166,700	62,600	12,300	1,240	36,550	20,550	1,980	12,860	314,800
Construction/Natural Resources	7,709,300	124,300	8,100	2,500	830	30	1,680	660	20	460	14,200
Manufacturing	14,125,700	502,200	31,300	23,300	2,050	330	11,390	6,280	0	2,300	76,900
Total Trade	20,854,900	425,800	24,300	7,200	1,760	130	4,190	2,950	30	2,190	42,700
Wholesale Trade	5,770,500	116,200	6,800	1,500	xx	xx	xx	xx	xx	xx	xx
Retail Trade	15,084,500	309,600	17,500	5,600	xx	xx	xx	xx	xx	xx	xx
Transport/Warehouse/Utilities	4,902,300	102,900	11,200	1,300	130	30	1,730	790	0	300	15,400
Financial Activities	8,215,700	157,200	11,400	2,200	580	60	1,060	540	10	450	16,300
Education and Health Services	17,629,300	391,000	20,100	7,400	1,430	90	4,840	3,230	0	1,590	38,700
Leisure and Hospitality	12,449,700	249,300	15,000	4,300	2,010	180	2,810	1,380	40	1,180	26,900
Info./Prof./Bus.and Other Services	25,263,000	436,200	24,400	7,900	1,880	110	3,960	2,430	50	1,430	42,200
Information	3,055,700	48,900	2,500	300	xx	xx	xx	xx	xx	xx	xx
Professional and Business Services	16,850,700	252,700	14,700	4,400	xx	xx	xx	xx	xx	xx	xx
Other Services	5,356,700	134,600	7,300	3,200	xx	xx	xx	xx	xx	xx	xx
Fed/State/Local Government	22,073,000	417,400	20,900	6,600	1,630	280	4,910	2,300	1,820	2,960	41,400
Change in Avg. # of Jobs Compared to Previous Quarter											
All Industries	-1,835,000	-69,000	-5,300	-870	-1,200	-10	-950	-600	-50	-280	-9,300
Construction/Natural Resources	-393,000	-14,300	-730	-230	-130	-20	-460	-120	0	-100	-1,800
Manufacturing	-108,700	-5,900	-700	170	30	20	-40	-80	0	-40	-600
Total Trade	-551,300	-16,900	-700	-300	-230	0	-80	-120	0	-20	-1,500
Wholesale Trade	-16,900	-2,300	-130	-70	xx	xx	xx	xx	xx	xx	xx
Retail Trade	-534,400	-14,600	-570	-230	xx	xx	xx	xx	xx	xx	xx
Transport/Warehouse/Utilities	-61,000	-3,200	-170	-100	-10	0	-100	0	0	0	-400
Financial Activities	11,700	0	-100	-30	-20	0	10	-20	0	10	-100
Education and Health Services	-33,700	-3,700	-530	-30	-10	0	50	-20	0	40	-500
Leisure and Hospitality	-195,300	-8,100	-1,100	-170	-670	-10	-190	-130	0	-90	-2,300
Info./Prof./Bus.and Other Services	-332,000	-10,600	-830	-170	-70	-10	-90	-90	-10	-10	-1,300
Information	-11,700	-200	0	0	xx	xx	xx	xx	xx	xx	xx
Professional and Business Services	-317,700	-11,000	-930	-170	xx	xx	xx	xx	xx	xx	xx
Other Services	-2,700	700	100	0	xx	xx	xx	xx	xx	xx	xx
Fed/State/Local Government	-171,700	-6,300	-430	0	-100	0	-40	-20	-40	-70	-700
Change in Avg. # of Jobs Compared to Same Quarter in 2005											
All Industries	2,022,300	37,900	2,370	670	270	30	1,080	230	-140	40	4,500
Construction/Natural Resources	373,700	9,800	300	30	-20	0	50	-20	10	-10	300
Manufacturing	-44,000	4,000	770	400	90	30	460	100	0	0	1,800
Total Trade	212,900	2,500	270	-270	30	0	-20	30	0	50	100
Wholesale Trade	96,800	1,300	170	-70	xx	xx	xx	xx	xx	xx	xx
Retail Trade	116,100	1,200	100	-200	xx	xx	xx	xx	xx	xx	xx
Transport/Warehouse/Utilities	64,000	-3,100	370	0	20	0	70	40	0	0	500
Financial Activities	165,000	-900	430	-200	20	20	30	10	0	10	300
Education and Health Services	394,300	12,200	-300	130	30	0	100	110	-20	20	100
Leisure and Hospitality	256,300	14,200	500	170	40	-10	-50	-20	0	-10	600
Info./Prof./Bus.and Other Services	467,700	200	0	370	90	0	30	60	0	40	600
Information	4,300	-500	0	0	xx	xx	xx	xx	xx	xx	xx
Professional and Business Services	457,000	700	-300	230	xx	xx	xx	xx	xx	xx	xx
Other Services	6,300	0	300	130	xx	xx	xx	xx	xx	xx	xx
Fed/State/Local Government	132,300	-1,000	30	30	-30	-10	410	-70	-130	-50	200

Source: DWD Office of Economic Advisors analysis of Current Employment Statistics (CES) data supplied by DWD Bureau of Workforce Information and the U.S. DOL Bureau of Labor Statistics. These not seasonally adjusted, preliminary figures are rounded and may not sum to the all industries total. The Green Bay MSA consists of Brown, Kewaunee and Oconto counties. The Sheboygan MSA is Sheboygan County.

Bay Area WDA—First Quarter 2006 (January, February, and March)

Labor Force

The Bay Area WDA labor force of almost 348,000 participants had a monthly average unemployment rate of 5.6 percent in the first quarter of 2006 (Q1/2006). The first quarter will undoubtedly register the calendar year's highest unemployment rate as the first few months usually show this labor market at its "slowest" point. The unemployment rate will begin to descend as the warmer months come into play and jobs become more abundant. There will be more employed residents, fewer unemployed and the rate should drop considerably. Of course, some Bay Area counties have different seasonal trends in regards to how their labor force changes month to month.

At the county level, the region's highest quarterly unemployment rate was measured in Menominee County (10.6%) and the lowest was 4.4 percent in Sheboygan County. Five of the ten regional counties posted Q1/2006 unemployment rates at seven percent or higher.

The region's unemployment rate was 1.3 percent point higher than it was in the previous quarter, fourth quarter 2005 (Q4/2005). The number of the region's employed dropped by over 5,100 and the number of unemployed residents increased by 4,300, quarterly. For all intents and purposes, this was an expected seasonal change. All ten counties posted an increase in their quarterly unemployment rates. Door County's rate increased the most (+2.7 percent points), while Sheboygan County's increased the least (+0.8 percentage point). Every county mirrored the regional quarterly change having more unemployed and fewer employed residents compared to Q4/2005.

From an annual perspective comparing Q1/2006 to Q1/2005, the Bay Area WDA's labor force shows an unemployment rate that one-tenth of a percentage point lower. The region's labor force has more than 6,400 more employed residents and its number of unemployed is virtually unchanged. Though the region's overall rate is lower, annually, five of the ten counties have higher rates. The fact that Brown, Manitowoc and Sheboygan counties make up 72 percent of the region's labor force, and each of these counties posted lower unemployment rates, is the chief impetus for the region's overall annual rate decrease.

The largest county-level increase in unemployment rate, annually, was registered in Menominee County (+2.2 percent points) and the largest annual decrease was measured in Door County (-0.8 percent point) compared to Q1/2005.

Industry Employment

The Q1/2006 monthly average job total in the Bay Area was 314,800 jobs. In the same manner that the region's labor force data shows the higher unemployment rates at this time of year, the Q1 job totals will be at their lowest and are really the "trough" of the yearly job curve. The Bay Area WDA should expect to add 10,000 to 20,000 more jobs between February and June and should maintain this level throughout most of the summer.

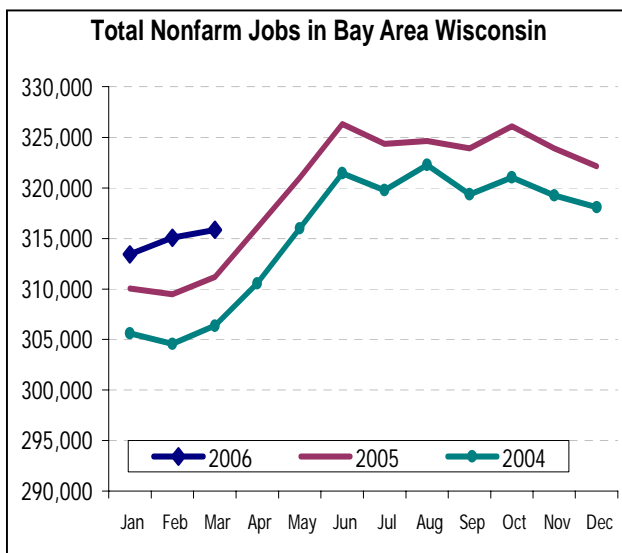
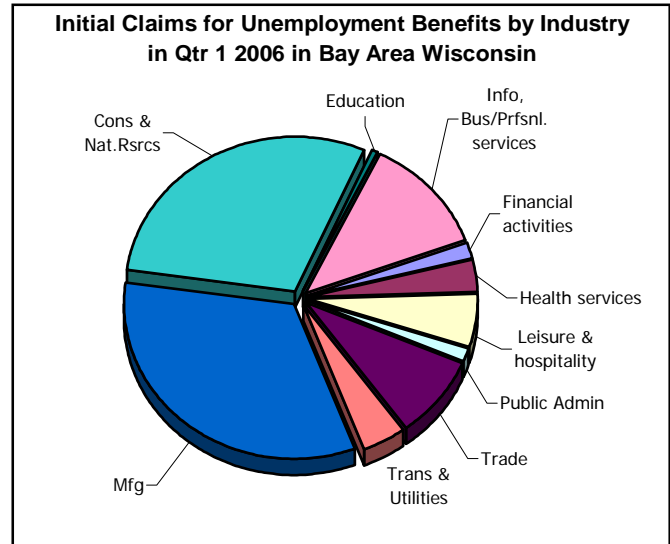
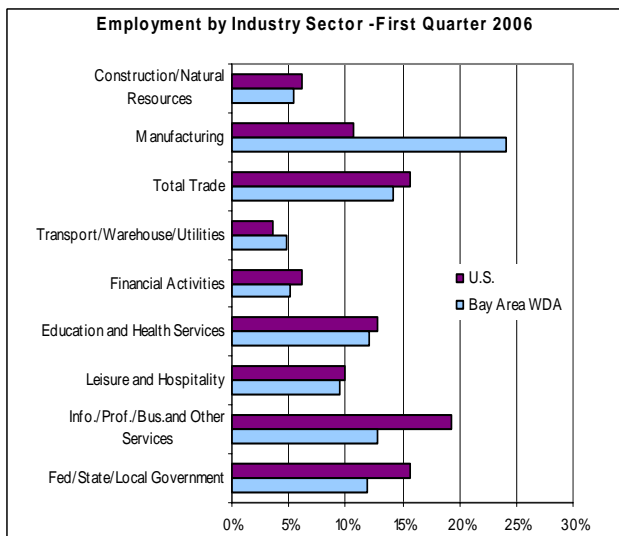
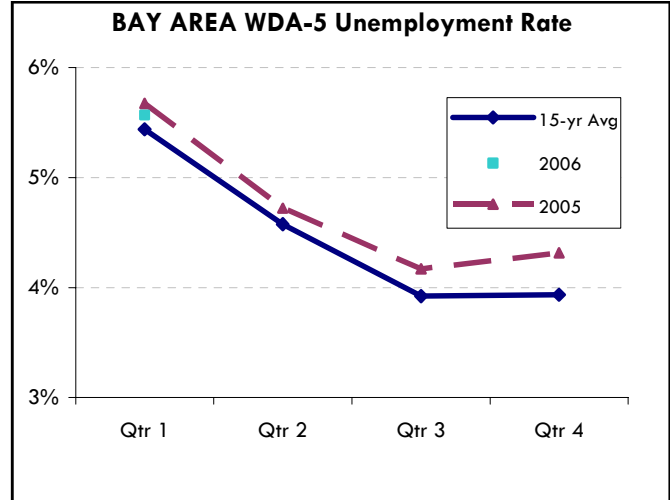
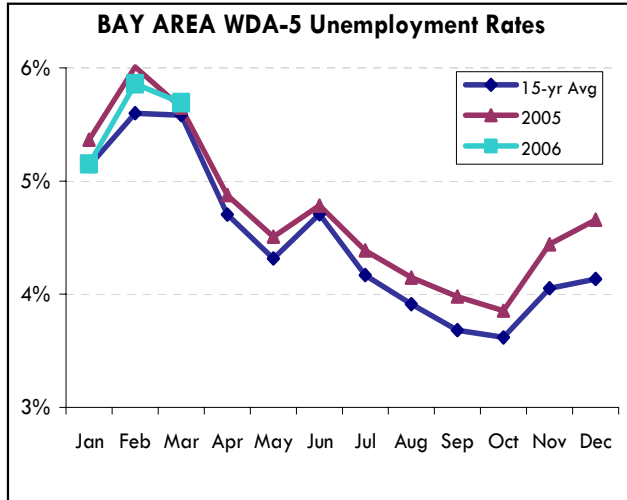
The Q1/2006 job total represented a net loss of 9,300 Bay Area WDA jobs with virtually every sector showing fewer jobs when compared to Q4/2005. The largest decrease in employment was in the leisure and hospitality. Wholesale and retail trade, combined, also posted one of the larger employment declines. Manufacturing employment decreased by 600 jobs over the quarter.

Each of the ten regional counties posted a net quarterly loss of jobs. Most sectors across these counties showed overall quarterly employment decreases with a few exceptions in some counties' sectors. Sheboygan County's manufacturing employment rose by 170 jobs. Door and Florence counties also posted net gains in manufacturing jobs.

A more thorough review of the labor market is the annual job performance. The Bay Area's job base posted a net increase of 4,500 jobs comparing Q1/2006 to Q1/2005. The industry sector with the largest numeric increase in jobs was the manufacturing sector (+1,800 jobs). In terms of relative growth, the transportation, warehousing and utilities sector showed the largest percentage growth (+3.3% more jobs).

Menominee County was the only Bay Area county not to post a net gain in its nonfarm employment. Manitowoc County's 2.9% growth (+1,080 jobs) lead the pack as its manufacturing sector gained 460 jobs. In fact, manufacturing employment posted annual employment gains, or at least held ground, in each of the ten counties. Education and health services also increased in employment throughout most of the WDA. Noteworthy is that the Green Bay MSA has 430 more financial activities jobs than it had in Q1/2005. Fifty-three percent of the region's annual job growth was located in the three-county Green Bay MSA. This growth-share ratio is similar to its overall portion of the Bay Area WDA job market.

The Bay Area WDA Workforce Album



Consumer Price Index - All items (not seasonally adjusted)	Change over previous quarter				over yr
	Qtr 2 2005	Qtr 3 2005	Qtr 4 2005	Qtr 1 2006	Qtr 1 2005
United States	1.3%	1.2%	0.5%	0.5%	3.6%
Midwest cities (50,000-1.5 million pop.)	1.2%	1.2%	0.5%	0.2%	3.2%
Midwest cities (less than 50,000 pop.)	1.5%	1.7%	0.3%	0.2%	3.7%
Employment Cost Index (not seasonally adjusted)					
Civilian total compensation	0.6%	0.8%	0.6%	0.7%	2.8%
Private industry total compensation	0.7%	0.6%	0.5%	0.8%	2.6%
Local & state govt. total compensation	0.3%	2.0%	0.9%	0.5%	3.7%
Civilian wages	0.6%	0.7%	0.6%	0.7%	2.7%
Private wages	0.6%	0.6%	0.5%	0.7%	2.4%
Local & state government wages	0.2%	1.3%	0.9%	0.3%	2.8%
Civilian benefits	0.7%	1.2%	0.5%	0.9%	3.4%
Private industry benefits	0.9%	0.7%	0.3%	1.0%	3.0%
Local & state government benefits	0.5%	3.1%	1.0%	0.7%	5.4%
Source: US Bureau of Labor Statistics				current quarter	

Source: US Bureau of Labor Statistics